



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

November 2, 1983

Mr. William R. Russell  
175 South West Temple, Suite 500  
Salt Lake City, Utah 84101

RE: Butterfly Mining Company  
Butterfly Mine  
PRO/017/003  
Garfield County, Utah

Dear Mr. Russell:

In 1981, you filed a "Notice of Intention to Commence Mining Operations" (NOI) with the Division for the Butterfly Mine. A follow-up letter from the Division was never answered. Recent discussions with Bureau of Land Management personnel have indicated that mining activity may commence in the near future. The Division has also recently received a Declaration of Exemption (DOE) from Mr. Stephen Case for a portion of the previously proposed mine area.

Your clarification of the status of this mining operation is requested. Is a full-fledged mining operation still planned, or will the only development in the next year or two be covered by the DOE?

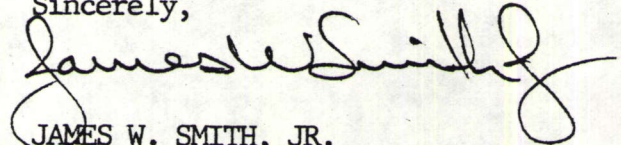
The NOI submitted previously was never approved. Therefore, mining operations covering more than two acres of disturbance or extracting more than 500 tons of ore per year may not commence until a complete Mining and Reclamation Plan (MRP) has been filed and approved by the Division, and the required reclamation surety to cover the costs of reclamation has been approved by the Board of Oil, Gas and Mining and posted with the Division. Please find enclosed a copy of revised Form MR-1, which should be submitted as part of a revised MRP should you anticipate expanding your operation beyond the above limitations. Due to the Division's existing workload, please allow approximately six months to process your application.



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Please contact me or Susan Linner of my staff if you need any assistance or have any questions. Your earliest response in clarifying the status of this operation would be greatly appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "James W. Smith, Jr.", with a stylized, flowing script.

JAMES W. SMITH, JR.  
COORDINATOR OF MINED  
LAND DEVELOPMENT

JWS/SCL:btb

Enclosures

cc: Stephen Case, Butterfly Mining, Inc.  
S. Linner, DOGM